



News from

Congressman Ron Kind

REPRESENTING WISCONSIN'S THIRD
CONGRESSIONAL DISTRICT

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Australia Deal Deserts Dairy

By Congressman Ron Kind

Ignoring the strong opposition of our nation's dairy producers, the Bush administration pushed through a bilateral trade deal with Australia that will hurt Wisconsin's family farmers. Despite my efforts to fight for dairy, the trade agreement passed in the House of Representatives today and is expected to pass in the Senate in the near future. Unfortunately, due to a death in my family, I was unable to vote against the trade agreement as I had intended, but my opposition to this agreement stands.

Early on in the negotiations, I saw the potential harm this agreement posed to western Wisconsin's dairy farmers and repeatedly raised my concerns with negotiators. This past February, I wrote to and met with U.S. Trade Representative Robert Zoellick, and urged the administration to be mindful of the economic and social impact a trade agreement between the U.S. and Australia would have on America's dairy farm families. I argued that permitting the Australian dairy industry (the world's third largest international dairy exporter) to substantially displace American producers in the U.S. domestic marketplace would not provide the economic benefits of fair trade that both our nations desire. Following that action I spoke directly with Zoellick and Australian Trade Minister Mark Vaile to personally advance these points again.

My efforts, and those of other members of Congress representing rural areas, helped avert a much worse trade agreement for our dairy producers by ensuring tighter controls on imports. Unfortunately, this agreement grants Australian dairy producers an additional 55 million pounds of new tariff-free access. This could cause U.S. dairy farm income to drop by \$237 million in the first year of the agreement alone; over the duration of the agreement's first 10 years, the negative farm income impact could total approximately \$610 million.

Furthermore, The Australia trade bill could have been made fairer for our dairy farmers if President Bush would have simply supported bipartisan legislation that I cosponsored to close the trade loopholes that are allowing milk protein concentrate (MPC) and casein to flood into the country. Nothing in this trade agreement limits or safeguards the United States against expanded imports of these products in the future. The Milk Import Tariff Equity Act (S.560 and H.R. 1160) would limit these imports by imposing effective tariffs. Unfortunately, due to passage of Trade Promotion Authority, which I opposed, Congress is not allowed to amend or change any provisions of a trade agreement submitted by the President to Congress.

Finally, after many years of struggle, dairy producers are enjoying prices that fairly compensate them for their labor. Now is not the time for our government to make things harder for them. Fair trade agreements can be a good way to help the Wisconsin dairy industry to financially grow and prosper. Opening foreign markets can provide an opportunity to increase international exports while

relieving some of the pressure placed upon the market by domestic overproduction. Unfortunately, this administration has not demonstrated that it understands these principals, but has instead consistently bargained away agriculture interests as a way to assist other, more favored sectors of our economy.”

Ron Kind is a Democratic member of the United States House of Representatives, serving the Third District of Wisconsin.